During the seven fiscal years that the Act was in operation prior to Mar. 31, 1965, the cost of stabilization programs averaged $57,000,000 a year. The Board has available a revolving fund of $250,000,000. Losses incurred are made up by Parliamentary appropriations and any surplus is paid back to the Consolidated Revenue Fund. An Advisory Committee named by the Minister of Agriculture and composed of farmers or representatives of farm organizations assists the Board in its operations.

Crop Insurance Act.—To assist in making the benefits of insurance protection on crops available in all provinces, the Crop Insurance Act was passed in 1959. This Act does not set up any specific insurance scheme but rather permits the Federal Government to assist the provinces to do so by making direct contributions toward the cost of providing crop insurance. The initiative for establishing schemes to meet their own regional requirements rests with the provinces. Schemes may be organized on the basis of specific crops or areas within the provinces and agreements between the provinces and the Federal Government set out the terms of insurance coverage. By the end of May 1964, crop insurance legislation had been passed by Manitoba, Saskatchewan, Prince Edward Island, Nova Scotia and Alberta.

Contributions from the federal treasury are limited to 50 p.c. of the administrative costs incurred by a province and 20 p.c. of the amount of premiums paid in any one year. In addition, the Federal Government may make loans to any province equal to 75 p.c. of the amount by which indemnities required to be paid under policies of insurance exceed the aggregate of the premium receipts for that year, the reserve for the payment of indemnities, and $200,000. As an alternative to such loans, the Federal Government in 1964 amended the Act to enable it to re-insure a major portion of the provincial risk in a program taken out under the Crop Insurance Act. Farmers insured under the Act are not eligible for payments under the Prairie Farm Assistance Act, nor are they required to pay the 1-p.c. levy on grain sales as provided for under that Act.

In 1964, 8,655 farmers received coverage under the Act for a total of $18,713,000.

Farm Improvement Loans Act.—The Farm Improvement Loans Act (RSC 1952, c. 110), administered by the Department of Finance, is designed to provide credit by way of loans made by the chartered banks to assist in almost every conceivable purchase or project for the improvement or development of a farm and includes the purchase of agricultural implements, the purchase of livestock, the purchase and installation of agricultural equipment or a farm electrical system, the erection or construction of fencing or works for drainage on a farm, and the construction, repair or alteration of farm buildings including the family dwelling. Credit is provided on security related to the purchase or project and on terms suited to the individual borrower.

The legislation, originally operative for three years (1945-48), has been continuous by way of extensions usually for three-year periods. The latest extension was for the period July 1, 1965 to June 30, 1968. The maximum term of a loan and the interest rate remain at ten years and 5 p.c. simple interest, respectively. The borrower is required to provide from 10 p.c. to 33⅓ p.c. of the cost of his purchase or project, depending on the loan category to which it belongs. The Federal Government guarantees each bank against loss sustained by it up to an amount equal to 10 p.c. of loans granted by it in a lending period. This guarantee does not apply to any loan made after the aggregate of all loans made by all banks in a given period reaches an amount fixed by statute. The current maximum stands at $700,000,000. By Dec. 31, 1964, 2,675 claims amounting to $1,892,031 had been paid under the guarantee since the inception of the Act, representing a net loss ratio of less than one tenth of one per cent after recoveries have been taken into account.